

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7593**

**BILL NUMBER:** HB 1319

**DATE PREPARED:** Jan 5, 1999

**BILL AMENDED:**

**SUBJECT:** Annexation local public question.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that if 10% or 500 voters in an area proposed be annexed sign a petition for a local public question at a primary or general election, the county election board must place the local public question concerning the annexation on the ballot. An election must be held in the municipality and the territory proposed to be annexed. A majority of votes cast at each of the elections are in favor of the proposed annexation, the annexation shall take place unless a remonstrance petition has been filed. If a majority of votes cast at one of the elections are not in favor of the proposed annexation, the annexation may not take place and a court must dismiss a pending remonstrance petition and order the annexation not to take place.

This bill requires a municipality to provide written notice of a hearing concerning a proposed annexation to each owner of real property located within the territory proposed to be annexed.

The Clerk of the municipality is required to submit a description and a map of the territory proposed to be annexed to the Circuit Court Clerk in the county in which the annexed territory is located. The Circuit Court Clerk is required to determine the registered voters within: (1) the territory proposed to be annexed; and (2) each precinct within the territory proposed to be annexed. The Circuit Court Clerk is also required to submit the voter information to the county election board.

This bill provides that these provisions apply to a municipality that adopts an annexation ordinance after January 1, 1999.

**Effective Date:** January 1, 1999 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill provides that if 10% or 500 voters in an area proposed to be annexed sign a petition for a local public question at a primary or general election, the county election board must place the local public question concerning the annexation on the ballot. There would not be an increase in election expenses since a new ballot has to be printed for the primary and general elections.

Annexation shall take place, unless a remonstrance petition has been filed, if the majority of the votes cast at the primary or general election on the public question are in favor of the proposed annexation. The annexation cannot take place if a majority of the votes cast are not in favor of the proposed annexation.

When territory is annexed, services are to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If annexation does not take place because of the provisions in this bill, then the municipality would not have to make these expenditures.

The Clerk of the municipality is required to submit a description and map of the territory proposed to be annexed to the Circuit Court Clerk in the county in which the annexed territory is located. The Circuit Court Clerk is required to determine the registered voters within: (1) the territory proposed to be annexed; and (2) each precinct within the territory proposed to be annexed. And, the Circuit Court Clerk is required to submit the voter information to the county election board. This can be done within the existing budget of the Circuit Court Clerk.

**Explanation of Local Revenues:** The annexation of property broadens the property tax base which tax rates are based on. The existing taxpayers in the municipality usually experience some rate reduction and the annexed taxpayers usually experience a rate increase. The provisions of this bill could eliminate these tax shifts.

This bill requires a municipality to provide, by certified mail, a written notice of a hearing concerning a proposed annexation to each owner of real property located within or adjoining the territory proposed to be annexed. If the notice is returned unclaimed or refused, the municipality shall mail the notice by regular mail (First Class mail). The notice requirement applies to a municipality that adopts an annexation ordinance after June 30, 1999. The cost of sending an article certified mail through the U.S. Postal Service is \$2.77 (\$1.35 for certification; \$0.32 postage; and \$1.10 for a return signed certification card). The cost of sending an article by First Class mail is \$0.32. Implementation of the notification provisions of this bill will increase the cost to a municipality since current law does not require the mailing of a notification of a public hearing of a proposed annexation. (The current law (IC 5-3-1) requires the notice of a public hearing to be published in a local newspaper(s).) The fiscal impact of this bill is indeterminable and dependent on the number of individuals that would receive notice of a proposed annexation public hearing.

**State Agencies Affected:**

**Local Agencies Affected:** Municipality annexing territory; County Circuit and Superior Courts; Clerk of the Circuit Court; Clerk of the Municipality; County Election Board.

**Information Sources:** U.S. Postal Service, Customer Information, (317) 464-6000.